

Assembly Bill No. 1858

CHAPTER 449

An act to add and repeal Section 11545 of the Vehicle Code, relating to vehicle dismantling.

[Approved by Governor September 22, 2016. Filed with
Secretary of State September 22, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1858, Santiago. Automobile dismantling: task force.

Existing law establishes the Department of Motor Vehicles, the State Board of Equalization, and the California Environmental Protection Agency, and prescribes the powers and duties of those state agencies. Under existing law, it is unlawful for any person to act as an automobile dismantler without having an established place of business, meeting specified requirements, and having a current, valid license or temporary permit issued by the Department of Motor Vehicles.

This bill would, until January 1, 2020, require the department to collaborate with the State Board of Equalization, the California Environmental Protection Agency, the Department of Toxic Substances Control, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and the State Air Resources Board to review and coordinate enforcement and compliance activity related to unlicensed and unregulated automobile dismantling, including resulting tax evasion, environmental impacts, and public health impacts. The bill would require the department, in consultation with those agencies, on or before January 1, 2019, to submit a report to the Legislature including specified information. The bill would state related findings and declarations of the Legislature.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:

(a) Automobile dismantlers are occupationally licensed by the Department of Motor Vehicles to provide an essential service that directly addresses society's increasing challenge of what to do with end-of-life vehicles.

(b) Automobile dismantlers face an array of costly yet necessary requirements to properly process end-of-life vehicles, including, but not limited to, safely removing and recycling unused gasoline, brake fluid, engine oil, transmission fluid, antifreeze, catalytic converters, tires, mercury switches, lead acid batteries, and freon.

(c) Automobile dismantlers are small- and medium-sized businesses regulated by over a dozen state, local, and federal agencies with jurisdiction over water quality, hazardous materials, air quality, worker safety, payment of taxes, and vehicle titling requirements.

(d) Unlicensed automobile dismantlers operate in the underground economy and do not comply with the licensing requirements, environmental regulatory requirements, insurance obligations, workplace safety requirements, and tax liability that licensed automobile dismantlers comply with.

(e) It is the intent of the Legislature to enact legislation to require state agencies to collaborate in combating unlicensed and unregulated automobile dismantling for the purposes of investigating environmental quality issues and tax evasion that are occurring as a result of this activity and the lack of enforcement.

SEC. 2. Section 11545 is added to the Vehicle Code, to read:

11545. (a) The department shall collaborate with the State Board of Equalization, the California Environmental Protection Agency, the Department of Toxic Substances Control, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and the State Air Resources Board to review and coordinate enforcement and compliance activity related to unlicensed and unregulated automobile dismantling, including resulting tax evasion, environmental impacts, and public health impacts.

(b) The department, along with the agencies listed in subdivision (a), may collaborate with and solicit information from district attorneys, certified unified program agencies, code enforcement agencies, and any other federal, state, or local agencies with jurisdictions over unlicensed and unregulated automobile dismantlers to achieve the purposes of this section.

(c) (1) On or before January 1, 2019, the department, in collaboration with the State Board of Equalization, the California Environmental Protection Agency, the Department of Toxic Substances Control, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and the State Air Resources Board, shall submit a report to the Legislature including, but not limited to, the following:

(A) The number of unlicensed dismantlers investigated and the number of investigations that resulted in an administrative enforcement action, a civil enforcement action, or criminal prosecution.

(B) Any identified statutory or regulatory gaps for investigating and prosecuting unlicensed automobile dismantlers.

(C) Information on how vehicles are acquired by unlicensed dismantlers, places where unlicensed activity is suspected or known to occur, and the types of facilities where unlicensed activity tends to occur.

(D) A summary of the barriers to adequate and efficient enforcement of environmental, tax, and licensing statutes and regulations against unlicensed dismantlers.

(E) Proposed strategies for bringing unlicensed dismantlers into compliance through compliance assistance, education and training, or other identified methods.

(F) Recommendations for modifying, eliminating, or continuing the coordinated enforcement and compliance activities pursuant to this section.

(G) Recommendations for statutory or regulatory changes, or both, needed to better allow for enforcement against unlicensed automobile dismantlers.

(2) The report required by this subdivision shall be submitted to the Legislature pursuant to Section 9795 of the Government Code.

(d) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.